



DEFENSE CONTRACT MANAGEMENT AGENCY
Department of Defense

INSTRUCTION

Strategic Planning

Office of Strategic Effects
OPR: DCMA-DE

DCMA-INST 971
November 19, 2012
Validated Current, November 20, 2013

1. PURPOSE. This Instruction:

- a. Replaces DCMA Instruction (DCMA-INST), “Strategic and Performance Planning,” (R (Reference (a))).
- b. Describes the DCMA process of strategic planning and the production of the Agency's Strategic Plan and the State of the Agency Report.
- c. Establishes a formal mechanism to identify, develop, and implement Agency Strategic Planning activities within DCMA.
- d. Establishes the Agency’s Strategic Planning process in order to comply with the basic statutory requirements of the Government Performance and Results Act (GPRA) of 1993, as amended by the GPRA Modernization Act of 2010 (Reference (b)), and regulatory policies and guidance from the President’s Management Agenda (as revised), the Office of Management and Budget (OMB) Circular A-11 (as revised), the Secretary of Defense, and the Under Secretary of Defense for Acquisition, Technology and Logistics.
- e. Is in compliance with DoD Directive (DoDD) 5105.64, “Defense Contract Management Agency” (Reference (c)).

2. APPLICABILITY. This Instruction applies to all DCMA Components who perform strategic planning activities.

3. MANAGER’s INTERNAL CONTROL PROGRAM. In accordance with the Managers’ Internal Control Program (Reference (d)), this Instruction is subject to evaluation and testing. The process flow is located within the document.

4. RELEASABILITY – UNLIMITED. This Instruction is approved for public release.

3. POLICY RESOURCE PAGE. <https://home.dcma.mil/policy/971r>

4. PLAS CODE. 191

5. EFFECTIVE DATE. By order of the Director, DCMA, this Instruction is effective immediately.



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REFERENCES

- (a) DCMA Instruction, “Strategic and Performance Planning,” September 2004
(hereby canceled)
- (b) GPRA Modernization Act of 2010
- (c) DoDD 5105.64, “Defense Contract Management Agency (DCMA),” September 27, 2000
- (d) DCMA-INST 710, “Managers’ Internal Control Program,” September 12, 2011
- (e) OMB Circular A-11 (2012), Part 6, Section 230, Agency Strategic Plan
- (f) DCMA-INST 973, “Performance Management”

CHAPTER 1

POLICY

1.1. OVERVIEW.

1.1.1. The Strategic Planning activities of the Agency form the framework for clearly identifying DCMA's mission and the goals necessary to achieving its vision.

1.1.2. The Director, DCMA, is the final approving authority for Strategic Planning activities.

1.1.3. Agency level Strategic Planning efforts come under the purview of the Office of Strategic Effects (DCMA-DE).

1.1.4. The Agency Strategic Plan will cover a period of not less than 4 years.

1.2. ELEMENTS. The Agency Strategic Plan expresses the vision, end states (goals), and objectives by which DCMA will perform its mission. As stated in OMB Circular No. A-11 (Reference (e)), Section 210.1 "An agency's strategic plan defines its missions, long-term goals, and approaches by which it will monitor its progress in addressing specific national problems, needs or challenges related to its mission." The elements of strategic planning and execution are shown in Figure 1.

1.2.1. Agency Vision. This statement describes DCMA's future state and sets the direction for the Agency for the term of the plan

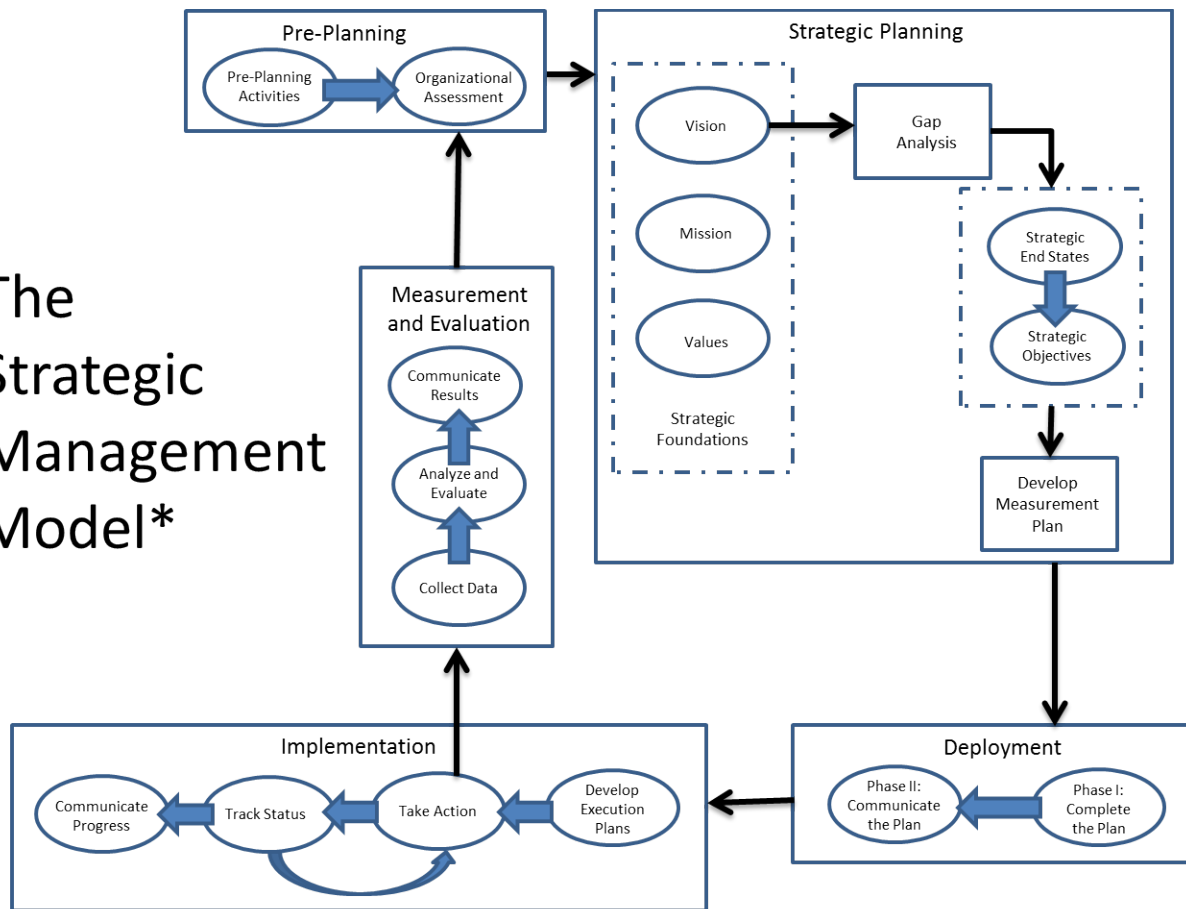
1.2.2. Strategic End States (Goals). Strategic End States are the goals that have been identified to lead the Agency to achieving its vision. The goals are influenced by many outside sources such as our customers, initiatives led by the DoD and its subordinate organizations, executive orders, laws, statutes, and regulations.

1.2.3. Strategic Objectives. These are the actions the Agency will take in order to achieve its goals. While the Strategic Objectives describe what DCMA will do, they do not include how DCMA will do them.

1.2.4. Execution Plans. Each Strategic Objective will require one or more execution plans that specifically describe how the responsible component, or components, will accomplish a particular objective or goal. The Execution Plans include details such as targets, measures, and timeframes. The Execution Plans are not published as part of the Agency's Strategic Plan but are covered under the Performance Management Architecture and will be published as part of an annual operating plan (Reference (f)).

Figure 1. Strategic Planning Elements

The Strategic Management Model*



*Model attributed to Denise L. Wells, *Strategic Management for Senior Leaders: A Handbook for Implementation*, Department of Navy

1.3. MONITORING AND MAINTENANCE.

1.3.1. The Agency Strategic Plan is a living document that requires regular review, assessment, and updating. A formal evaluation of the Agency's progress each fiscal year will be covered in a State of the Agency Report.

1.3.1.1. The report will cover a full fiscal year and will be published no later than 31 December each year.

1.3.1.2. The report will include specific evaluations of the Agency's progress toward its strategic goals for the reporting year, and will include adjustments, as needed, to be incorporated in the next year.

1.3.2. Performance Management. The Agency's Performance Management architecture provides a means of measuring DCMA's progress in achieving goals, progressing initiatives, and completing execution plans. Agency Performance Management is covered under a separate instruction (Reference (f)).

CHAPTER 2

RESPONSIBILITIES

2.1. DIRECTOR, DCMA. The Director is delegated certain authorities under DoDD 5101.64 (Reference (c)), including the authority to organize, direct, and manage the DCMA and all resources assigned to the DCMA. The Director, DCMA shall ensure resources of the organization are used to accomplish the Agency mission in an effective and efficient manner. With this, the Director sets the Agency Strategic direction, vision, and priorities, along with members of the DCMA Council.

2.2. DCMA COUNCIL. The DCMA Council shall, collectively, contribute to, endorse, promote, and actively support the Agency Strategic Plan.

2.3. DCMA COMPONENT HEADS. The Component Heads are responsible for accomplishing the Agency's strategic priorities, initiatives, and business/operational mission; and ensuring that their functional and/or operational efforts support the strategic direction and mission of the Agency. Component Heads shall participate in the strategic planning process and develop execution plans in support of the Agency plan.

2.4. OFFICE OF STRATEGIC EFFECTS. The Office of Strategic Effects is responsible for developing, administering, and managing the DCMA Strategic Plan.

2.5. DCMA EMPLOYEES, SUPERVISORS, MANAGERS, COMMANDERS, AND DIRECTORS. Employees at every level, throughout DCMA, are responsible for executing their portion of the Agency's mission as set forth in the Agency Strategic Plan. Employees should be knowledgeable of the strategic direction of the Agency and understand how his/her individual efforts support the strategy.

CHAPTER 3

PROCEDURES

3.1. DEVELOPING THE PLAN. In the development of DCMA's Strategic Plan, the DCMA-DE staff will:

3.1.1. Consider internal and external influences through the completion of a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis. This analysis includes the following:

3.1.1.1 . DCMA's Annual Statement of Assurance.

3.1.1.2. Independent Assessments and Audit Reports (internal and external).

3.1.1.3. Performance Reviews (Operational and Tactical levels).

3.1.1.4. Input from Agency chartered panels (Resource Management Panel, Information Technology Steering Panel, Facilities Control Panel, Human Capital Panel, and the Operations Integration Panel).

3.1.1.5. Input from the Continuous Process Improvement Office.

3.1.1.6. Input from the Agency's Integrated Priority List.

3.1.2. Perform an environmental scan that includes reviewing the following:

3.1.2.1. President's Management Agenda.

3.1.2.2. OMB Circular A-11.

3.1.2.3. Office of the Secretary of Defense initiatives and directives.

3.1.2.4. Under Secretary of Defense for Acquisition, Technology and Logistics initiatives and directives.

3.1.3. Share the results of these analyses and scans with the Director, DCMA, for identification of Agency goals and objectives.

3.2. REVIEW OF GOALS AND OBJECTIVES. During a session (or sessions) scheduled for this purpose, the DCMA Council, both collectively and individually, will participate in the strategic planning process and review the proposed goals and objectives. Led by the Director, DCMA, the DCMA Council will finalize these elements.

3.3. DEVELOPMENT OF EXECUTION PLANS. Within 45 days of approval of the Agency Strategic Plan, the responsible component head will be required to establish supporting execution plans. Each component shall execute and track the Execution Plan performance and meet all

reporting requirements as set forth in the Performance Management Architecture. The Component Head is responsible for ensuring that any necessary performance indicators are available for usage, or that there are other sufficient means for evaluating the progress of the Execution Plan. A template for Execution Plans will be provided by DCMA-DE.

3.4. PUBLICATION OF THE AGENCY STRATEGIC PLAN. With the Director's approval, the DCMA-DE staff will compile and publish the Agency Strategic Plan. The plan will be accessible to all DCMA employees and will be posted in a prominent place on the DCMA web site.

3.5. APPROVAL OF EXECUTION PLANS. The Agency Director will review the submitted execution plans for final approval or disapproval. Component Heads may be required to add, delete, or modify their proposed execution plans in order to meet the Director's intent.

3.6. PUBLICATION OF EXECUTION PLANS. With the Director's approval, the DCMA-DE staff will compile and publish the approved Execution Plans. The Execution Plans will be accessible to all DCMA employees and will be posted in a prominent place on the DCMA web site. The process is reflected in Figure 2.

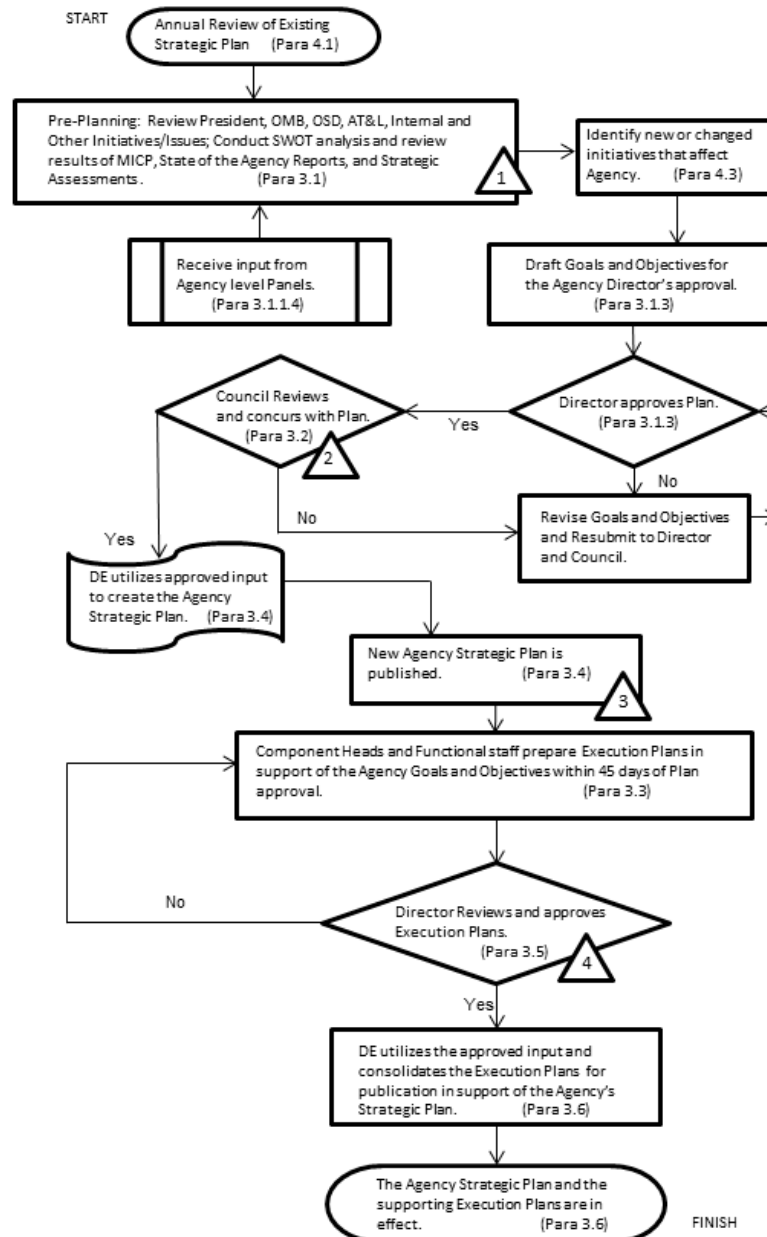
Figure 2. Strategic Planning Process Flow

Figure 3. Key Control Table

Key Control Table			
Control	Functional Area	Risk	Possible Controls
1	Pre-planning	Failure to considering influencing factors will result in a poor foundation for Strategic Plan development and may negatively impact the Agency's future vision.	Review of input from a variety of sources will help to avoid missing important information.
2	Director approves the Plan and the Council concurs with the Plan	Failure to obtain the approval and concurrence from the Director and Council will result in an unsupported Plan that would not be well executed. This would make it impossible for the Agency to achieve its strategic vision or effectively carry out its mission.	The Agency Director, as the final approval authority, and the Council must review, approve and agree to support the Strategic Plan.
3	Publish the Strategic Plan	Without the publication of a documented and approved Agency Strategic Plan, the workforce would be unable to collectively execution actions in support of the goals and objectives identified in the Plan. This would put the Agency's vision at risk and may negatively impact mission accomplishment.	Publish and publicize the Agency Strategic Plan.
4	Director reviews and approves Execution Plans	Failure to obtain the approval of the Director on Execution Plans would jeopardize the accomplishment of the goals and objectives in the Strategic Plan. This would mean there would be no common understanding of what is expected from the responsible components within the Agency nor could DCMA achieve its future vision.	The Agency Director must review and approve the Execution Plans in support of the Agency Strategic Plan.

CHAPTER 4

PLAN PERFORMANCE AND CURRENCY

4.1. ANNUAL PLAN REVIEW. The Agency Strategic Plan will be the catalyst and touchstone for Agency performance. The Plan will be reviewed at least annually to ensure it is still aligned with the Director's intent and that it does not conflict with emerging guidance and/or initiatives.

4.2. STATE OF THE AGENCY REPORT. The annual review of the Agency Strategic Plan will be a major element of the annual State of the Agency Report (SOAR). The DCMA-DE staff will prepare the initial SOAR for review by the Director and Council. During the course of this review, the previous year's accomplishments, and the next year's priorities, will be compared in relation to the Agency Strategic Plan for the purpose of maintaining strategic alignment and identifying any performance gaps.

4.3. CHANGES TO AGENCY STRATEGIC PLAN. If the annual review of the Agency Strategic Plan leads to additions, deletions, or modifications of the Plan or any of its elements, the responsible party (i.e., DCMA-DE staff, Component Heads, or Component staff) will draft the change and submit it to the Strategic Effects Office for review prior to submission to the Director and Council.

4.4. PUBLICATION OF PLAN CHANGES. If Plan changes are approved by the Director, DCMA-DE will prepare and publish the change.

GLOSSARY**ACRONYMS**

DoDD	DoD Directive
DCMA-DE	DCMA Office of Strategic Effects
DCMA-INST	DCMA Instruction
GPRA	Government Performance and Results Act
OMB	Office of Management and Budget
SOAR	State of the Agency Report
SWOT	Strengths, Weaknesses, Opportunities and Threats